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UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 8
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ADMINISTRATIVE
RECORD

REF: 8EPR-ER

POLLUTION REPORT #6
LIBBY ASBESTOS
Libby, Lincoln County, Montana

I. HEADING

Date: June 22, 2003
Site Name: Libby Asbestos Site
From: Paul Peronard, OSC
Duc Nguyen, OSC
To: Kevin Mould, EPA Headquarters
POLREP No.: #6

II. BACKGROUND

Site No.: BC
Response Authority: CERCLA
Action Memorandum Status: Approved 5/23/00
Action Memorandum Amendment: 08/13/01 & 05/09/02

Start Date (OU 00-General Site) Fund-Lead: 06/01/00
Completion Date* (OU 00 General Site) Fund-Lead: 06/22/03

Start Date (OU 01-Export Plant) Fund-Lead: 06/01/00
(UAO & on-going--PRP-Lead): 06/05/00
Completion Date* (OU 01 - Export Plant) Fund-Lead: 06/22/03
PRP Lead: 06/22/03

Start Date (OU 02 - Screening Plant) Fund-Lead: 06/01/00
Completion Date* (OU 02 Screening Plant) Fund-Lead: 06/22/03

Start Date (OU 03 Rainy Road) Fund-Lead: 05/01/01
Completion Date* (OU 03 Rainy Road) Fund-Lead: 06/22/03

Start Date (OU 04 - Residential/Business Screening) Fund-Lead: 05/01/01
Completion Date* (OU 04 - Residential/Business Screening) Fund-Lead: 06/22/03

Start Date (OU 05 - Stimson Lumber Company) Fund-Lead: 10/17/02
Completion Date* (OU 05 - Stimson Lumber Company) Fund-Lead: 06/22/03

Start Date (OU 06 - BNSF) PRP - Lead: 10/21/02
Completion Date* (OU 06 - BNSF) PRP - Lead: 06/22/03

*i.e. Transfer from EPA Removal Program (EPR-ER) to Remedial Program (EPR-SR)



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III. SITE INFORMATION

A. Incident Category

Time Critical, Fund-Lead and PRP-Lead

B. Site Description (Please see the initial POLREP)

1. Site Location

The Site is located in Montana within Sections 3 and 10, T.30N., R.31W. of the Libby Quadrangle in the County of Lincoln.

2. Description of Threat

(Please see the POLREPs 1 - 5)

C. Preliminary Assessment/Site Inspection Results

(Please see the POLREPs 1 - 5)

IV. RESPONSE INFORMATION

A. Situation

1. Removal actions to date:

OU-00 - General Site:

The KDC Bluffs: *All scheduled removal activities by EPR-ER for this area are complete. EPR-SR is negotiating with W.R. Grace to conduct some additional cleanup activities on its properties*

The KDC Flyway: *This approximately 20-acres site is located immediately south of the former Screening Plant, also known as part of the KDC properties. The site is currently vacant and adjacent to the "River Run Through It" residential area. All scheduled removal activities by EPR-ER for this area are complete. EPR-SR is negotiating with W.R. Grace to conduct some additional cleanup activities on its properties*

Landfill Cell: *Construction of the landfill cell is complete.*

Schools:

- **Plummer Elementary School:** *Removal Action was completed in October 2002.*

- **Libby Middle School:** All asbestos-soil contamination has been removed (6,633 cubic yards of contaminated soil), and the site including the running track has been completely restored.
- **Libby High School:** Removal of all contaminated soil (approximately 6,500 cubic yards) has been completed. All buildings and unsalvageable athletic equipment also have been decontaminated. A rubberized track was installed after the end of the school year - June of 2003.

Residential/Commercial Removal Actions: The Removal Program initiated this work in 2001 and thus far approximately 83 properties have been completed. A goal to complete 250 properties has been set for the end of 2003. Currently, the *Environmental Restoration L.L.C. under ERRS I*, has been a primary EPA contractor to cleanup residential/commercial properties. In early Spring of 2003, *Salut (TAT 8(a))* was brought in for the Screening Plant's restoration. As soon as the restoration activities are completed, Salut will be integrated with *Environmental Restoration* to expedite the residential/ commercial cleanups; another three subcontractors will be added during the Summer of 2003. The cleanup operations mainly consist of vermiculite insulation removal in the attic and interior cleaning. At present, EPA has decided not to take vermiculite out of walls because of the low risk of exposure from vermiculite that is contained inside walls. Walls with vermiculite insulation will be inspected thoroughly for leakage and be sealed if necessary. EPA will provide homeowners a high quality HEPA vacuum (to help keep home clean) and free space in the county landfill for proper disposal of asbestos contaminated materials resulting from future renovations. An average cleanup cost per house is \$30,000.

(See POLREP #5 for more specific detail).

Export Plant (OU-01 Fund & PRP-Lead): All cleanup work and restoration were completed in November of 2002. Final report was submitted for approval on February 7, 2003. Some minor works (i.e. concrete) at the Millwork West's new Planar are being completed during the summer of 2003.

A new subsurface layer of raw vermiculite/tremolite rock (highly concentrated) was found along the Kootenai's river banks when the City of Libby was building a dock for boating. The area of contamination is located next to the Export Plant, which apparently stockpiled vermiculite ore before sending to the Export Plant for processing. EPA is negotiating with W.R. Grace to clean up its contamination; but, if negotiations "break down", EPA will continue with the cleanup in August of 2003 in order to avoid any delay which might result from the bankruptcy court.

The Screening Plant (OU-02): All cleanup work is complete. Restoration activities, are being conducted by Salute contractor - including leach field installation, fencing, planting trees and scrubs, and backfilling with top/agricultural soil. The restoration activities are expected to be completed by during FY03.

The Rainy Creek Road (OU-03): *The road has been and will continue to be closed to the public, but it is a disposal route for asbestos-contaminated materials.*

Residential and Business Screening/Investigation (OU-04): *EPA has completed the screening of Libby homes and businesses in the South Lincoln County (Libby Valley); however, approximately 1,000 newly identified properties are scheduled to be screened in the future as a result of the outreach program.*

<i>Total properties reconned:</i>	<i>3,281</i>
<i>Total properties denied access:</i>	<i>400</i>
<i>Total properties to be sampled:</i>	<i>1,800</i>
<i>Total properties with only outdoor vermiculite:</i>	<i>1,012</i>
<i>Total properties with both indoor and outdoor vermiculite:</i>	<i>292</i>
<i>Total properties with ZAI:</i>	<i>15%</i>
<i>Total properties with soil contamination:</i>	<i>48%</i>

Stimson Lumber Mill (OU-05): *Currently, the lumber mill is closed as the result of bankruptcy. The Stimson Lumber Mill is a former expansion plant and a nursery where asbestos contamination was found. No removal activities are scheduled at this time.*

Burlington Northern and Santa Fe Railroad (BNSF) Cleanup (OU-06): *The BNSF has agreed to perform the cleanup at the Libby rail yards and its tracks under a consent order to address high levels of asbestos. The BNSF's work plan and sampling plan were approved on October 25, 2002. The removal activities are scheduled for June of 2003 as soon as the Lincoln Landfill is available for disposal. EPR-SR will oversee the cleanup and conduct air sampling.*

2. Enforcement

- *On May 9, 2002, the U.S. District Court located in Missoula, Montana approved a consent degree in which W.R. Grace will pay \$2.75 million to provide health care in Libby. This medical coverages, known as a Supplemental Environmental Project (SEP), will provide health care beyond those already provided in the W.R. Grace's medical plan for asbestos-related disease. The SEP agreement is part of a penalty settlement for failure to provide access for cleanup in Libby.*
- *The bankruptcy case occurred in November of 2002 in New York.*
- *On December 19, 2002, a federal judge in Missoula (Montana) ruled that W.R. Grace and Kootenai Development Corporation is liable for costs associated with cleanup of asbestos contamination. The total costs remain to be determined until issues involving disputed clean-ups actions can be resolved. The EPA is seeking recover costs relating to cleanup incurred through the end of 2001 (\$55 million) and future*

costs.

- *A court hearing regarding removal of ZAI may begin in June of 2003 in New York.*

3. National Priority List (NPL)

- *In January of 2002 Governor Judy Martz used the State of Montana's one-time privilege of naming the Site as its highest priority for designation to the NPL.*
- *In February of 2002, EPA proposed the Libby Asbestos Site to the NPL.*
- *On October 23, 2002, the Site was added to the NPL to receive federal funds for long-term cleanup. The State of Montana will share ten percent of the clean-up costs.*

B. Next Steps:

Transition : The proposed activities of EPR-ER, listed in the 8/17/01 Removal Action Memorandum for this Site have been completed and/or are being transitioned to the Remedial Program (EPR-SR). EPR-ER will continue to assist EPR-SR upon request, and EPR-SR will be completing a Record of Decision (ROD) during the coming months, including activities such as:

- 1) Timber logging**: *The USFS, Lincoln County Commissioners, Plum Creek Logging Company, and local community have requested assistance to delineate the potential contamination areas in the surrounding areas of the Zonolite Mine in the Tug Gulch area where the cutting of timber has been proposed. These areas need to be tested for asbestos so that a decision can be made about harvesting the timber. Due to budget constraints and the primary focus on residential clean ups, EPA has agreed to provide only technical assistance in sampling.*
- 2) Cleanup of Troy, Montana**: *EPA is working with MDEQ on state lead investigation and cleanup. Troy is located approximately 20 miles east of Libby and 1/5 the size.*
- 3) The Remedial Program has conducted studies of the cancer risk model. EPA will fund animal studies to improve the model used to predict non-cancer risk. The results of these studies will be used in the feasibility study (FS) and record of decision (ROD).**

C. Key Issues

Funding for Long-Term Asbestos-Related Health Needs: *A Public Health Emergency Declaration letter was sent to Washington Senator Patty Murray and Montana's Congressional Delegation (Senator Baucus and Burns and Congressman Rehberg) again asking to consider a public health emergency declaration for adequate health*

care services for the asbestos related disease population in Libby. A similar letter was sent to Governor Whitman on February 25, 2003.

V. COST INFORMATION

EXTRAMURAL COSTS	Cumulative Total Funded (06/2003)	Cost to Date (06/2003)
1. IAG - Volpe Center (DOT) \$18,090,000 funded.		
- Export Plant	\$ 121,000	\$ 150,000
- Screening Plant and other Removals	\$ 8,819,000	\$ 8,000,000
- Residential/Commercial Clean-ups	\$ 650,000	\$ 650,000
- Rainy Creek	\$ 1,500,000	\$ 500,000
- Schools	\$ 2,500,000	\$ 2,000,000
- Sampling including remedial investigation (\$4 millions)	\$ 4,500,000	\$ 4,000,000
Sub total	\$18,090,000	\$15,300,000
2. ERRS Contract (Environmental Restoration L.L.C.) \$1,577,000 funded.		
- Landfill Cell Construction	\$ 500,000	\$ 500,000
- Disposal Cost (committed to Lincoln C.)	\$ 800,000	\$ 800,000
- Residential/Commercial Properties	\$ 277,000	\$ 150,000
Subtotal	\$ 1,577,000	\$ 1,450,000
Subtotal Extramural	\$19,667,000	\$16,750,000
Contingency (20%)	\$ 3,933,000	\$ 3,933,000
Total Extramural Costs	\$23,600,400	\$20,683,000
INTRAMURAL COSTS		
1. EPA Direct Costs	\$ 150,000	\$ 250,000
2. EPA Indirect Costs	\$ 150,000	\$ 250,000
Total Intramural Costs	\$ 300,000	\$ 500,000
PROJECT CEILING (including \$4 millions remedial investigation)	\$24,000,000	\$21,183,000

VI. DISPOSITION OF WASTES

More than 200,000 cubic yards of materials, contaminated with asbestos, have been

disposed at the mine. ZAI materials and debris-related to ZAI (indoor) will be disposed at the Lincoln County Landfill Cell beginning in July of 2003.